

HCS SCS SB 635 -- FINANCIAL TRANSACTIONS, MAINTENANCE OF PRIVATE  
ROADS, AND APPRAISAL MANAGEMENT COMPANIES

SPONSOR: Pearce (Phillips)

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial  
Institutions by a vote of 12 to 0.

This substitute changes the laws regarding financial  
transactions, maintenance of private roads, and appraisal  
management companies.

SECURITY OF MONEYS DEPOSITED BY THE STATE TREASURER

Currently, an irrevocable standby letter of credit issued by a  
Federal Home Loan Bank must possess the highest rating issued by  
at least one nationally recognized statistical rating agency to  
be acceptable collateral for public deposits. The substitute  
repeals the requirement that the letter be issued by a Federal  
Home Loan Bank possessing the highest rating and allows a letter  
of credit issued by any Federal Home Loan Bank to be an  
acceptable collateral for public deposits.

MAINTENANCE OF PRIVATE ROADS

The substitute specifies that when adjoining homeowners who have  
an easement or benefitted homeowners for any private road subject  
to the use of more than one homeowner, in the absence of a prior  
order or written agreement for the maintenance of the road, are  
unable to agree in writing upon a plan for the maintenance,  
repair, or improvement of the private road, one or more of the  
homeowners may petition the circuit court for an order  
establishing a plan of maintenance. The cost of the plan must be  
apportioned among the homeowners according to the use and benefit  
to the residential property benefitted by the access as mutually  
agreed by the homeowners or as ordered by the court. The court  
may order a plan or may appoint disinterested commissioners to  
determine a plan and the apportionment of costs. Any agreement  
executed by all owners for, or final order approving, a plan of  
maintenance must be recorded with the county recorder of deeds.  
One or more adjoining landowners or holders of an easement to use  
a private road may bring an action to enforce the maintenance  
plan, whether as mutually agreed or as ordered by the court. A  
private road does not include any road that is owned by the  
United States, the State of Missouri, or any political entity,  
instrumentality, or agency of the state. The provisions of the  
substitute do not apply to any land or property owned or operated  
by a railroad regulated by the Federal Railroad Administration.

MISSOURI APPRAISAL MANAGEMENT COMPANY REGISTRATION AND REGULATION

## ACT NOTICES

Currently, certain banks, savings institutions, and credit unions which are exempt from the Missouri Appraisal Management Company Registration and Regulation Act as it applies to the assignment of an appraisal request to an appraiser who is an independent contractor to the institution are required to file a notice with the Missouri Real Estate Appraisers Commission within the Department of Insurance, Financial Institutions and Professional Registration that includes the same information that the registered real estate appraisal management company must file. The substitute repeals that requirement.

## IRREVOCABLE LIFE INSURANCE TRUSTS

Currently, a Missouri bank or trust company is authorized to transfer fiduciary obligations consisting only of irrevocable life insurance trusts to the Missouri trust office of an out-of-state bank with trust powers or an out-of-state trust company. The substitute allows a bank or trust company created under the laws of this or any other state or national bank with authorized trust authority to transfer those obligations to any bank or trust company with authorized trust authority.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill repeals redundant provisions that allow bonds of a Federal Home Loan Bank and an irrevocable standby letter of credit issued by a Federal Home Loan Bank to be acceptable collateral for public deposits. If the United States gets downgraded from AAA to AA+, it could mean that banks that invested with a Federal Home Loan Bank would have to stop these investments making it harder for banks to loan money to consumers.

Testifying for the bill were Senator Pearce; Missouri Bankers Association; and State Treasurer.

OPPOSERS: There was no opposition voiced to the committee.